

REDACTED – FOR PUBLIC INSPECTION

June 26, 2014

Received & Inspected
JUN 30 2014
FCC Mail Room

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *In the Matter of ETC Annual Reports and Certifications, Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing a Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform – Mobility Fund, WC Docket Nos. 14-58, 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208*

Dear Ms. Dortch:

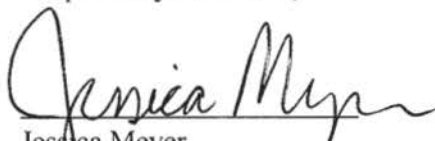
On behalf of Corn Belt Telephone Company ("Corn Belt"), please find enclosed two copies of Corn Belt's FCC Form 481, along with the redacted versions of the Confidential Financial Information.

Also enclosed are copies of Corn Belt's redacted five-year service quality improvement plan.

One copy of the FCC Form 481, containing Confidential Financial Information, is being filed under separate cover.

Please do not hesitate to contact me at (402) 441-4315 if you have any questions regarding this submission.

Respectfully submitted,



Jessica Meyer
Consultant
Consortia Consulting, Inc.

No. of Copies rec'd 04
List ABCDE



**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010> Study Area Code	351141
<015> Study Area Name	CORN BELT TEL CO
<020> Program Year	2015
<030> Contact Name: Person USAC should contact with questions about this data	Judy Christiansen
<035> Contact Telephone Number: Number of the person identified in data line <030>	4028181322 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	jchristiansen@consortiaconsulting.com

Received & Inspected
JUN 30 2014
FCC Mail Room

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
		(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	<div></div> (attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	<div></div> (attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <div>351141ia510.pdf</div>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <div>351141ia610.pdf</div>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010> <div></div>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	351141
<015>	Study Area Name	CORN BELT TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5	
<111>	year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

351141a112.pdf

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document

Please check these boxes below to confirm that the attached documents(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
 <114> Report how much universal service (USF) support was received
 <115> How (USF) was used to improve service quality
 <116> How (USF) was used to improve service coverage
 <117> How (USF) was used to improve service capacity
 <118> Provide an explanation of network improvement targets not met in the prior calendar year.

(200) Service Outage Reporting (Voice) Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	351141
<015>	Study Area Name	CORN BELT TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
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<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

[illegible]

<701> Residential Local Service Charge Effective Date
<702> Single State-wide Residential Local Service Charge

1/1/2014
14.5

<703>

[illegible]

(710) Broadband Price Offerings
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	351141
<015>	Study Area Name	CORN BELT TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

[illegible]

(800) Operating Companies
Data Collection Form
FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	351141
<015>	Study Area Name	CORN BELT TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

<810>	Reporting Carrier	Corn Belt Telephone Company
<811>	Holding Company	NA
<812>	Operating Company	NA

[illegible]

(900) Tribal Lands Reporting
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	351141
<015>	Study Area Name	CORN BELT TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes, No, NA)

(1100) No Terrestrial Backhaul Reporting
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	351141
<015>	Study Area Name	CORN BELT TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

☐

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	351141
<015>	Study Area Name	CORN BELT TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

351141a1210.pdf

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- | | | |
|---------------------|---|-------------------------------------|
| <1221> | Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | <input checked="" type="checkbox"/> |
| <1222> | Details on the number of minutes provided as part of the plan, | <input checked="" type="checkbox"/> |
| <1223> | Additional charges for toll calls, and rates for each such plan. | <input checked="" type="checkbox"/> |

(2000) Price Cap Carrier Additional Documentation

Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0085/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	351141
<015>	Study Area Name	CORN BELT TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010> 2nd Year Certification (47 CFR § 54.313(b)(1)) ☐

<2011> 3rd Year Certification (47 CFR § 54.313(b)(2)) ☐

Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))

<2012> 2013 Frozen Support Certification ☐

<2013> 2014 Frozen Support Certification ☐

<2014> 2015 Frozen Support Certification ☐

<2015> 2016 and future Frozen Support Certification ☐

Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))

<2016> Certification Support Used to Build Broadband ☐

Connect America Phase II Reporting (47 CFR § 54.313(e))

<2017> 3rd year Broadband Service Certification ☐

<2018> 5th year Broadband Service Certification ☐

<2019> Interim Progress Certification ☐

<2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

<2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

[3000] Rate Of Return Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3050-0086/OMB Control No. 3050-0619

July 2013

<010> Study Area Code 351141
 <015> Study Area Name CORN BELT TEL CO
 <020> Program Year 2015
 <030> Contact Name - Person USAC should contact regarding this data Judy Christiansen
 <035> Contact Telephone Number - Number of person identified in data line <030> 4028181322 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> jchristiansen@consortiaconsulting.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010) Progress Report on 5 Year Plan

Milestone Certification (47 CFR § 54.313(f)(1)(i))

Name of Attached Document Listing Required Information

- (3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

- (3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

- (3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))
 (3014) If yes, does your company file the RUS annual report

(Yes/No) ☒ ☒
 (Yes/No) ☒ ☒

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

- (3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) ☐
 (3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

- (3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

- (3018) If the response is no on line 3014, is your company audited?

(Yes/No) ☒ ☐

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications ☒
 (3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☒
 (3021) Management letter issued by the independent certified public accountant that performed the company's financial audit. ☒

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, ☐
 (3023) Underlying information subjected to a review by an independent certified public accountant ☐
 (3024) Underlying information subjected to an officer certification. ☐
 (3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

351141ia3026.pdf, 351141ia3026.xlsx

- (3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

Certification - Reporting Carrier
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0818
July 2013

<010>	Study Area Code	351141
<015>	Study Area Name	CORN BELT TEL CO
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3050-0019
 July 2013

<010> Study Area Code	351141
<015> Study Area Name	CORN BELT TEL CO
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Judy Christiansen
<035> Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Judy Christiansen</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	Judy Christiansen
Name of Reporting Carrier:	CORN BELT TEL CO
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/20/2014
Printed name of Authorized Officer:	Bill Brotherton
Title or position of Authorized Officer:	Vice President
Telephone number of Authorized Officer:	7126642221 ext.
Study Area Code of Reporting Carrier:	351141 Filing Due Date for this form: 06/30/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	CORN BELT TEL CO
Name of Authorized Agent or Employee of Agent:	Judy Christiansen
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 06/20/2014
Printed name of Authorized Agent or Employee of Agent:	Judy Christiansen
Title or position of Authorized Agent or Employee of Agent:	Consultant
Telephone number of Authorized Agent or Employee of Agent:	4028181322 ext.
Study Area Code of Reporting Carrier:	351141 Filing Due Date for this form: 06/30/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<039> Contact Email Address - Email Address of person identified in data line <030> jchristiansen@consortiaconsulting.com

1/1/2014

14.5

<703>

[illegible]

Data Collection Form

July 2013

<020>	Program Year	2015
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<035>	Contact Telephone Number - Number of person identified in data line <030>	4028181322 ext.
-------	---	-----------------

<039>	Contact Email Address - Email Address of person identified in data line <030>	jchristiansen@consortiaconsulting.com
-------	---	---------------------------------------

[illegible]

Functionality in Emergency Situations
for Voice and Broadband Services

Back-Up Power:

Corn Belt Telephone has a 75,000 watt fixed propane back-up generator that is capable of being converted to gas if needed. This unit is of sufficient size to run all central office equipment. Battery backup time is eight hours minimum. Outside plant is a 100% FTTH with no DLC, AFC or remote modules requiring AC power. All subscriber connections have ONT battery power supplies. Corn Belt has a number of these battery units on chargers ready for service. They also have several charging units attached to the fix generator for recharging during long power outages. Corn Belt has seven portable generators of various sizes available for emergency situations.

Rerouting of Traffic around Damaged Facilities:

With FTTH both broadband and voice traffic is delivered over the same connection to subscriber locations. There is only one Central Office with redundant electronic connection for intercarrier connection.

Traffic Spikes:

Our Meta Central Office switch can handle full wired line access. Trunk routing is limited to sixty three toll calls during any single period of time. There is 680 lines active in the Wall Lake exchange. There is a significant amount of unused voice capacity in the Central Office switch.

Broadband capacity is capable of 4 times the normal day usage with redundant routing available.

Corn Belt Telephone Company**Lifeline Terms and Conditions**

Corn Belt Telephone Company (the "Company") offers Lifeline program-supported service to qualified low-income residential consumers for one telephone line per eligible household. The Lifeline program provides discounts to eligible low-income consumers to help them establish and maintain telephone service. Lifeline assistance lowers the cost of basic, monthly local telephone service. Eligible consumers can receive \$9.25 per month in discounts. In addition, the Federal Universal Service Charge is not assessed to consumers participating in Lifeline. Toll Blocking prevents the placement of all long distance calls for which a subscriber would be charged. Toll blocking is available to eligible consumers at no cost. Also, by choosing this option, consumers are usually not charged a deposit.

Lifeline Program Eligibility Information**Program Based Eligibility**

Consumers are eligible for Lifeline if they, one of their dependents or their household participate in one of the following qualifying assistance programs:

Low-Income Home Energy Assistance Program (LIHEAP)
 Federal Public Housing Assistance (Section 8)
 Supplemental Nutrition Assistance Program (SNAP)
 Medicaid
 National School Lunch Program's Free Lunch Program
 Supplemental Security Income (SSI)
 Temporary Assistance for Needy Families (TANF)

Lifeline applicants must present documentation demonstrating eligibility either through participation in one of the qualifying federal assistance programs or through income-based means.

Acceptable documentation of program-based eligibility includes: current or prior year's statement of benefits from a qualifying state, federal or Tribal program; notice letter of participation in a qualifying state, federal or Tribal program; program participation documents; or another official document evidencing the consumer's participation in a qualifying state, federal or Tribal program.

Income Based Eligibility

In addition, consumers are eligible for Lifeline if their household income is at or below 135% of the federal poverty guidelines.

2014 Federal Poverty Guidelines – 135%

Household Size	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$15,755	\$19,683	\$18,117
2	\$21,236	\$26,541	\$24,422
3	\$26,717	\$33,399	\$30,726
4	\$32,198	\$40,257	\$37,031
5	\$37,679	\$47,115	\$43,335
6	\$43,160	\$53,973	\$49,640
7	\$48,641	\$60,831	\$55,944
8	\$54,122	\$67,689	\$62,249
For each additional person, add	\$5,481	\$6,858	\$6,305

Acceptable documentation of income eligibility includes: prior year's state, federal or Tribal tax return; current income statement from an employer or paycheck stub; social security statement of benefits; Veterans Administration statement of benefits; retirement/pension statement of benefits; unemployment/workmen's compensation statement of benefits; federal or Tribal notice of letter participating in General Assistance; or a divorce decree or child support award or other official document containing income information.

Numbers of Minutes-of-Use Provided as Part of Lifeline Program Service

The Company's Voice Lifeline service includes unlimited local minutes-of-use within the toll-free calling area. The Company's Voice Lifeline Plan does not include any free minutes-of-use for toll. Toll is billed at the standard toll rate depending on which interexchange carrier the consumer subscribes to for toll service. As part of the Lifeline service, Toll blocking is available to eligible consumers at no cost.

Rates

Subscribers may receive the Lifeline credit on any type or grade of local service, including bundled services that are normally offered by the Company. Advertised rates do not include any applicable taxes or surcharges.

Recertification of Lifeline Eligibility

Lifeline recipients are required to recertify their eligibility annually. Failure to properly recertify a recipient's continued eligibility for the Lifeline program will result in termination of the Lifeline recipient's monthly Lifeline discount and de-enrollment from the Lifeline Program.

Additional Lifeline Program Information

The Lifeline program is limited to one benefit per household, consisting of either wireline or wireless service. A household is defined, for purposes of the Lifeline program, as an individual or group of individuals who live together at the same address and share income and expenses. Lifeline is a government benefit program, and consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.

Corn Belt Telephone Company

Certification of Compliance with Applicable Service Quality Standards and Consumer Protection Rules for Voice and Broadband Services

Service quality standards and consumer protection rules for broadband are not as defined as the rules for voice services. The Company complies with any service quality standards and consumer protection rules for broadband that are out there now and any that will be defined in the future.

Service Quality Standards

For voice services, the Company:

- Provides voice grade access to the public switched network.
- Provides flat rated local exchange service with no additional charge to end users.
- Provides access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911.
- Provides toll blocking and toll limitation services.

For voice and broadband services, the Company:

- Advertises the availability of its services and the charges using media of general distribution and/or on its website.
- Maintains a business office providing customers with access to a customer service representative either in person or via a local telephone call or toll-free telephone number during business hours.
- Directs after hour calls to the Company's help desk.
- Directs trouble reports to the on-call technician.
- Tracks all service orders to ensure they are completed in a timely manner.
- Measures its service connection and service interruption performance on a regular basis.
- Trains employees to:
 - Answer all incoming calls promptly.
 - Respond to all inquiries for information promptly and courteously.
 - Investigate thoroughly all customer complaints and handle appropriately according to the Company's guidelines for resolution of customer complaints.
 - Be knowledgeable about products and service offerings so they can assist the customer with selecting the best service option.
- Has a process for periodic inspection, testing and preventive maintenance of its equipment to permit the rendering of safe, adequate and continuous service at all times.
- Meets or exceeds the standards established by the state commission and provides any reports required in accordance with the state commission's rules.

Consumer Protection Rules

The Company has established operating procedures designed to facilitate compliance with applicable consumer protection rules which include compliance with the Customer Proprietary Network Information (CPNI) rules. The operating procedures include:

- Appointment of a compliance officer.
- A manual detailing the specific procedures for protecting consumer information.
- Employee training on an annual basis.
- A disciplinary process for improper use of consumer information.

If complaints are filed with the Company regarding consumer protection rules, the complaint is immediately investigated, the matter tracked and any corrective action noted. This process ensures that problems are addressed and corrections made.

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CORN BELT TELEPHONE COMPANY
WALL LAKE, IOWA

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2013 & 2012

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CORN BELT TELEPHONE COMPANY

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John D. Morrow

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March 17, 2014

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Corn Belt Telephone Company
Wall Lake, Iowa 51466

Report on the Financial Statements

I have audited the accompanying financial statements of Corn Belt Telephone Company (an Iowa corporation) which comprise the balance sheet as of December 31, 2013 and 2012 and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Corn Belt Telephone Company as of December 31, 2013 and 2012, and the results of its operation and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



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CORN BELT TELEPHONE COMPANY
BALANCE SHEETS
DECEMBER 31, 2013 AND 2012

ASSETS	<u>2013</u>	<u>2012</u>
CURRENT ASSETS		
Cash equivalents	\$ [REDACTED]	\$ [REDACTED]
Accounts receivable	[REDACTED]	[REDACTED]
Due from customers	[REDACTED]	[REDACTED]
Interexchange carriers	[REDACTED]	[REDACTED]
Interest receivable	[REDACTED]	[REDACTED]
Inventory	[REDACTED]	[REDACTED]
Overpaid income taxes	[REDACTED]	[REDACTED]
Prepayments	[REDACTED]	[REDACTED]
NONCURRENT ASSETS		
Certificates of deposit	[REDACTED]	[REDACTED]
Investment in joint venture	[REDACTED]	[REDACTED]
Cellular partnership investment	[REDACTED]	[REDACTED]
Marketable securities	[REDACTED]	[REDACTED]
Other investments	[REDACTED]	[REDACTED]
Goodwill and intangibles net of amortization	[REDACTED]	[REDACTED]
PROPERTY, PLANT AND EQUIPMENT		
Telecommunications plant in service	[REDACTED]	[REDACTED]
Fiber optic plant in service	[REDACTED]	[REDACTED]
Cable television plant in service	[REDACTED]	[REDACTED]
Wireless & broadband towers in service	[REDACTED]	[REDACTED]
Land & nonoperating property	[REDACTED]	[REDACTED]
Accumulated depreciation	[REDACTED]	[REDACTED]
Plant under construction	[REDACTED]	[REDACTED]
TOTAL ASSETS	[REDACTED]	[REDACTED]

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CORN BELT TELEPHONE COMPANY
BALANCE SHEETS
DECEMBER 31, 2013 AND 2012

LIABILITIES AND STOCKHOLDERS' EQUITY	<u>2013</u>	2012
CURRENT LIABILITIES		
Accounts payable	\$ [REDACTED]	\$ [REDACTED]
Dividends payable	[REDACTED]	[REDACTED]
Notes payable	[REDACTED]	[REDACTED]
Interest payable	[REDACTED]	[REDACTED]
Advance billing and payments	[REDACTED]	[REDACTED]
Corporate income taxes payable	[REDACTED]	[REDACTED]
Sales tax payable	[REDACTED]	[REDACTED]
Federal & FICA tax payable	[REDACTED]	[REDACTED]
State withholding payable	[REDACTED]	[REDACTED]
Unemployment tax payable	[REDACTED]	[REDACTED]
Federal excise tax payable	[REDACTED]	[REDACTED]
SIMPLE IRA withheld payable	[REDACTED]	[REDACTED]
Customer deposits	[REDACTED]	[REDACTED]
Accrued expenses payable	[REDACTED]	[REDACTED]
OTHER NONCURRENT LIABILITIES		
Deferred Income Taxes	[REDACTED]	[REDACTED]
STOCKHOLDERS' EQUITY		
Common stock, [REDACTED] par value,		
[REDACTED] shares authorized		
[REDACTED] shares authorized		
[REDACTED] shares issued,		
[REDACTED] shares issued,		
[REDACTED] and [REDACTED] shares outstanding		
Additional paid in capital	[REDACTED]	[REDACTED]
Capital in excess of par value	[REDACTED]	[REDACTED]
Retained earnings - Appropriated	[REDACTED]	[REDACTED]
Retained earnings - Unappropriated	[REDACTED]	[REDACTED]
Treasury stock @ cost, [REDACTED]	[REDACTED]	[REDACTED]
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	[REDACTED]	[REDACTED]

See accompanying Notes to Financial Statements.

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CORN BELT TELEPHONE COMPANY
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
SALES AND OPERATING REVENUES		
Local network services	\$ [REDACTED]	\$ [REDACTED]
Network access services	[REDACTED]	[REDACTED]
Cable television services	[REDACTED]	[REDACTED]
Broadband services	[REDACTED]	[REDACTED]
iWireless services	[REDACTED]	[REDACTED]
Computer sales & services	[REDACTED]	[REDACTED]
Miscellaneous	[REDACTED]	[REDACTED]
COST OF SALES		
Toll fees, computers, phones etc.	[REDACTED]	[REDACTED]
OPERATING EXPENSES		
Plant specific operations	[REDACTED]	[REDACTED]
Plant non-specific operations	[REDACTED]	[REDACTED]
Cost of cable television programming	[REDACTED]	[REDACTED]
Cost of broadband services	[REDACTED]	[REDACTED]
Depreciation and amortization	[REDACTED]	[REDACTED]
Customer operations	[REDACTED]	[REDACTED]
Corporate operations	[REDACTED]	[REDACTED]
General taxes	[REDACTED]	[REDACTED]
OPERATING INCOME	[REDACTED]	[REDACTED]
OTHER INCOME (EXPENSE)		
Interest and dividend income	[REDACTED]	[REDACTED]
Rental & joint venture income	[REDACTED]	[REDACTED]
Gain (Loss) on investments	[REDACTED]	[REDACTED]
Interest expense	[REDACTED]	[REDACTED]
Rental costs & other expenses	[REDACTED]	[REDACTED]
Depreciation-rental property	[REDACTED]	[REDACTED]
INCOME BEFORE INCOME TAXES	[REDACTED]	[REDACTED]
Income taxes	[REDACTED]	[REDACTED]
NET INCOME	[REDACTED]	[REDACTED]

See accompanying Notes to Financial Statements.

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CORN BELT TELEPHONE COMPANY
STATEMENTS OF STOCKHOLDERS' EQUITY
DECEMBER 31, 2013 AND 2012

	Common Stock		Additional	Capital
	<u>Shares</u>	<u>Amount</u>	<u>Paid in</u> <u>Capital</u>	<u>in Excess</u> <u>of Par Value</u>
Beginning balance Jan. 1, 2012				
Net income				
Dividends paid				
Retained earnings appropriation				
Purchase of treasury stock				
Sale of treasury stock				
Ending balance Dec. 31, 2012				
Net income				
Dividends paid				
Retained earnings appropriation				
Bylaw Amendment to "no par value" stock				
Purchase of treasury stock				
Sale of treasury stock				
Ending balance Dec. 31, 2013		\$		\$

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CORN BELT TELEPHONE COMPANY
STATEMENTS OF STOCKHOLDER'S EQUITY
DECEMBER 31, 2013 AND 2012

Accumulated Other Comprehensive <u>Income</u>	Appropriated Retained <u>Earnings</u>	Unappropriated Retained <u>Earnings</u>	<u>Treasury Stock</u>		<u>Total</u>	Annual Comprehensive <u>Income</u>
			<u>Shares</u>	<u>Amount</u>		
\$ [REDACTED]	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
\$ [REDACTED]	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED] Financial Statements.

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CORN BELT TELEPHONE COMPANY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	\$ [REDACTED]	\$ [REDACTED]
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	[REDACTED]	[REDACTED]
Amortization	[REDACTED]	[REDACTED]
Deferred income taxes	[REDACTED]	[REDACTED]
Cost basis of assets sold	[REDACTED]	[REDACTED]
(Gain) loss on sale of marketable securities	[REDACTED]	[REDACTED]
(Gain) loss on equity interest in joint venture	[REDACTED]	[REDACTED]
Accretion of discount on marketable securities	[REDACTED]	[REDACTED]
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable	[REDACTED]	[REDACTED]
Interest receivable	[REDACTED]	[REDACTED]
Inventory	[REDACTED]	[REDACTED]
Overpaid income taxes	[REDACTED]	[REDACTED]
Prepayments	[REDACTED]	[REDACTED]
Increase (decrease) in:		
Accounts payable & dividends payable	[REDACTED]	[REDACTED]
Accrued interest payable	[REDACTED]	[REDACTED]
Advance billing & payments	[REDACTED]	[REDACTED]
Corporate income taxes payable	[REDACTED]	[REDACTED]
Payroll & other taxes payable	[REDACTED]	[REDACTED]
Customer deposits	[REDACTED]	[REDACTED]
Other accrued liabilities	[REDACTED]	[REDACTED]
Net cash provided by operating activities	[REDACTED]	[REDACTED]
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant, property, & equipment	[REDACTED]	[REDACTED]
Payments on construction in progress	[REDACTED]	[REDACTED]
Proceeds from certificates of deposit	[REDACTED]	[REDACTED]
Proceeds from sale or redemption of investments & marketable securities	[REDACTED]	[REDACTED]
Purchase of investments and marketable securities	[REDACTED]	[REDACTED]
Net cash used by investing activities	[REDACTED]	[REDACTED]
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings - note payable	[REDACTED]	[REDACTED]
Payments - note payable	[REDACTED]	[REDACTED]
Dividends paid	[REDACTED]	[REDACTED]
Purchase of treasury stock	[REDACTED]	[REDACTED]
Net cash used in financing activities	[REDACTED]	[REDACTED]
Net Increase (Decrease) in Cash and Cash Equivalents	[REDACTED]	[REDACTED]
Cash and Cash Equivalents at Beginning of Year	[REDACTED]	[REDACTED]
Cash and Cash Equivalents at End of Year	[REDACTED]	[REDACTED]
Cash payments for interest	\$ [REDACTED]	\$ [REDACTED]
See accompanying Notes to Financial Statements.		

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CORN BELT TELEPHONE COMPANY NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

Note 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

System of Accounts

The accounting policies of the Company conform to generally accepted accounting principles in the United States of America. The accounting records of the Company are maintained in accordance with the Uniform System of Accounts for Telephone Companies prescribed by the Federal Communications Commission (FCC) as modified by the state regulatory authority.

Organization

Corn Belt Telephone Company is incorporated under the laws of Iowa and operates various telecommunication services including: exchange and local access, long distance, internet, wireless, cable television, wireless franchise areas and sale of computers & communication equipment in a service area located primarily in west central Iowa. The ability of the Company to collect accounts receivable is based on the telecommunication industry and local economic conditions.

Cash Equivalents

For purposes of the statements of cash flows, the company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

The direct charge-off method is used for recording uncollectible accounts receivable. The accompanying balance sheets include only those customer accounts which were considered collectible and management determined it was not considered necessary to provide an allowance for doubtful accounts.

Inventories

Inventory held for resale is valued at cost using the first-in, first-out method of valuation. Inventories do not include materials and supplies kept on hand for repairs and replacements of communications plant, property, and equipment.

Investments

Debt and marketable equity securities bought and held principally for selling in the near future are classified as trading securities and carried at fair value. Realized holding gains and losses on trading securities are reported in earnings. (Marketable equity securities classified as available-for-sale are carried at cost and unrealized holding gains and losses are not recorded as a separate component of stockholders' equity.) The Company considers the unrealized holding gains and losses on marketable equity securities to be immaterial to the overall financial statements as a whole. Therefore, the value has not been reflected in the financial statements. Debt securities, the Company has both the positive intent and ability to hold to maturity, are classified as held-to-maturity and are carried at amortized cost. Equity investments, over which the Company has significant influence, are reflected on the equity method. Other nonmarketable equity investments are stated at cost.

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CORN BELT TELEPHONE COMPANY NOTES TO FINANCIAL STATEMENTS (Continued) DECEMBER 31, 2013 AND 2012

Note 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Plant, Property and Equipment

Plant, property and equipment is capitalized at original cost. Renewals and betterments are charged to the property accounts while replacements, maintenance, and repairs which do not improve or extend the lives of the respective assets are expended currently. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable telephone property. The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates based on the estimated service lives of the various classes of depreciable property as follows:

	<u>Useful Life</u>
Building	19-50 years
Buried cable	10-25 years
Fiber optic to the home	15 years
Central office equipment	5-10 years
Tools and work equipment	5-10 years
Furniture and office equipment	5 years
Vehicles	5 years
Station apparatus	5-7 years
Cable Television plant & equipment	5-40 years

Software

Software costs are recognized in accordance with the American Institute of Certified Public Accountants Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." The Company capitalized costs (including right-to-use fees) associated with externally acquired software for internal use. Software maintenance and training costs are expended as incurred. Capitalized software is generally amortized on a straight-line basis over its useful life, not to exceed five years.

Long-Lived Assets

The Company would provide for impairment losses on long-lived assets when indicators of impairment are present and the non-discounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. Based on current conditions, management does not believe any of its long-lived assets are impaired.

Income Taxes

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred taxes arise from the basis of property, plant and equipment, partnership investments, and certain accruals. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible, when the assets and liabilities are recovered or settled. As of December 31, 2013 and 2012, the book basis exceeded the tax basis of plant property and equipment by approximately [REDACTED] and [REDACTED] respectively.

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CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2013 AND 2012

Note 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Company recognized revenues when earned regardless of the period in which they are billed. The Company is required to provide telephone service to subscribers within its defined service territory.

Local network service, broadband, wireless, iwireless, and cable television revenues are recognized over the period a subscriber is connected to the network.

Network access, long distance and wireless service revenues are derived from charges for access to the Company's local exchange network. The interstate portion of access revenues is based, in part, on an average schedule company settlement formula administered by the National Exchange Carrier Association (NECA) which is regulated by the FCC. The intrastate portion of access revenues is billed based upon the Company's tariff for access charges filed with the Iowa Utilities Board (IUB). The charges developed from these tariffs used to bill the connecting carrier and recognize revenues in the period the traffic is transported based on the minutes of traffic carried. Long Distance revenues are recognized at the time a call is placed based on the minutes of traffic processed at tariff and contract rates.

The Company recognizes the regulated portion of internet revenue as network access services and the non-regulated portion of internet revenue as broadband services in the statement of operations.

The Company earns wireless service revenues by providing access to its wireless network and for usage of its wireless system. Access revenue from postpaid customers is billed either in advance or arrears and recognized ratably over the service period. Air-time revenue, including roaming revenue and long distance revenue, is billed in arrears based on minutes of use and is recognized when the service is rendered. Access and air-time services provided are billed throughout the month according to the bill cycle in which a particular subscriber is placed. Wireless revenue include revenues from other wireless carriers for roaming by their customers on the Company's network.

Cable television service revenues are derived from charges for access to the Company's cable television network. The cable television revenues are recognized over the period a subscriber is connected to the cable television programming network and by the channels selected by the subscriber.

The Company recognizes taxes charged to customers on a net basis in the statements of income.

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CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2013 AND 2012

Note 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Company determines the fair market value of its financial assets and liabilities based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels of inputs may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Intangibles

Intangible assets deemed to have indefinite lives are stated at the lower of cost or fair value. These assets are subject to periodic impairment tests. Intangible assets with definite lives are amortized.

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets". Under these, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to periodic impairment tests in accordance with the Statement. Other intangible assets will continue to be amortized over their useful lives. The Statement also broadens the criteria for recording intangible assets separate from goodwill. The Company will perform impairment tests of goodwill and indefinite lived intangible assets. Amortization of goodwill and other intangibles for impairment of value was [REDACTED] and [REDACTED] in 2013 and 2012, respectively.

Use of Estimates

The preparation of financial statements in conformity with the accounting policies of the Company conform to accounting principles generally accepted in the United States of America. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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CORN BELT TELEPHONE COMPANY NOTES TO FINANCIAL STATEMENTS (Continued) DECEMBER 31, 2013 AND 2012

NOTE 2 INVESTMENTS

The Company has a [REDACTED] interest in [REDACTED] [REDACTED] [REDACTED] (a partnership) which operates a fiber optic network from [REDACTED] to the [REDACTED] area and connects each of the partners' telephone exchanges to the [REDACTED] network. This investment is accounted for using the equity method. The Company recognizes its proportionate share of the income and losses accruing to it under the terms of the partnership agreement.

The Company has an interest in the Iowa [REDACTED] [REDACTED] [REDACTED] [REDACTED] which provides cellular service. Corn Belt Telephone Company's investment in [REDACTED], Inc. represents a [REDACTED] interest. [REDACTED], [REDACTED], and [REDACTED], [REDACTED], [REDACTED] formed [REDACTED] [REDACTED] of Iowa Limited Partnership. [REDACTED] [REDACTED] [REDACTED] [REDACTED] owns an interest in [REDACTED] [REDACTED] [REDACTED] [REDACTED]. The market value of the Company's proportionate share of all partnerships' capital since inception of operations is undeterminable.

Other Investments - The Company's investment in [REDACTED], Inc. consists of [REDACTED] [REDACTED] and [REDACTED] [REDACTED]. This represents [REDACTED] of the [REDACTED] and [REDACTED] of the [REDACTED] [REDACTED] of [REDACTED], Inc. stock.

Because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs, management has determined it is not practical to estimate the fair value of these investments. However, management believes that the carrying amount of these investments at December 31, 2013 and December 31, 2012, included in other investments, is not impaired.

The amortized cost and fair value of held-to-maturity securities:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<u>December 31, 2013</u>				
Held-for-sale				
Marketable Stock Companies	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Held-to-maturity				
Revenue Bonds	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
U.S. Government Obligations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
<u>December 31, 2012</u>				
Held-for-sale				
Marketable Stock Companies	\$ [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Held-to-maturity				
Revenue Bonds	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
U.S. Government Obligations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	\$ [REDACTED]	[REDACTED]

The gross realized gains on sales of securities totaled [REDACTED] in 2013 and [REDACTED] in 2012.

REDACTED - FOR PUBLIC INSPECTION

CORN BELT TELEPHONE COMPANY NOTES TO FINANCIAL STATEMENTS (Continued) DECEMBER 31, 2013 AND 2012

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following at December 31:

	2013	2012
<u>Telephone Plant In Service:</u>		
Building		
Buried cable		
Central office equipment		
Circuit Equipment		
Furniture and office equipment		
Vehicles		
Tools and work equipment		
<u>Fiber Optic Plant in Service:</u>		
Fiber optic to the home		
<u>Cable Television Plant in Service:</u>		
Cable television		
<u>Wireless Broadband Plant in Service:</u>		
Wireless towers and equipment		
Broadband equipment		
<u>Non-operating Plant:</u>		
Land		
Rental Building		
Construction in progress		

Depreciation expense for the years ended December 31, is classified in the financial statements as follows:

	2013	2012
Operating Expense	\$	\$
Non-operating Expense	\$	\$

Application of rates to the various classes of plant produced a composite rate on average depreciable plant for the years ended December 31, 2013 and 2012, of [REDACTED] and [REDACTED]

NOTE 4 EMPLOYEE BENEFITS

The Company adopted a simplified employee pension plan in 1989 which was closed during the 2012 plan year. A SIMPLE plan was adopted by the Company during the 2012 year. The Company matches up to [REDACTED] for any employee that contributes to the plan. Pension plan contributions charged to operations for the years ended December 31, 2013 and 2012 were [REDACTED] and [REDACTED], respectively.

NOTE 5 AGENCY RISK MANAGEMENT

Corn Belt Telephone Company is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

REDACTED - FOR PUBLIC INSPECTION

CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2013 AND 2012

NOTE 6 CONCENTRATIONS OF CREDIT RISK

The Company grants credit to local and toll service customers, all of whom are located in the franchised service area, and telecommunications intrastate and interstate long distance carriers.

The Company receives approximately [REDACTED] of its operating revenues from access revenues and assistance provided by the Federal Universal Service Fund. As a result of the Telecommunications Act, the manner in which access revenues and Universal Service Funds are determined is currently being modified by regulatory bodies.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents, temporary investments, investments in common stock companies, and other investments. The Company places its investments in several financial institutions which limits the amount of credit exposure in any one financial institution.

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The company believes it is not exposed to any significant credit risk on cash equivalents.

NOTE 7 INCOME TAXES

Deferred income taxes arise primarily from timing differences between depreciation expense for tax purposes calculated under accelerated cost recovery methods and depreciation expense for financial statement purposes calculated under the straight line method.

Applicable income taxes consist of the following:

	<u>2013</u>	<u>2012</u>
Federal income tax		
Current tax expense	\$ [REDACTED]	\$ [REDACTED]
Deferred tax expense		
State income tax		
Current tax expense		
Deferred tax expense		
Total Income Tax Expense	\$ [REDACTED]	\$ [REDACTED]

Income tax expense varies from the amount of income taxes determined by applying the Federal income tax statutory rate to income before taxes. Cash payments for income taxes for the years ending December 31, 2013 and 2012 were [REDACTED] and [REDACTED] respectively.

The Company's Form 1120S, U.S. Tax Return for an S Corporation, for the years ending 2012 and forward, remains open for examination by federal and state taxing authorities.

NOTE 8 SUBSEQUENT EVENTS

Management evaluated subsequent events through March 17, 2014, the date the financial statements were available for issue.

Five-Year Plan Language for Corn Belt Telephone Company

Pursuant to 47 C.F.R. 54.202(a)(1)(ii), Corn Belt Telephone Company ("Corn Belt") submits a five-year plan that describes with specificity proposed improvements or upgrades to its network throughout its proposed service area. This plan is based on Corn Belt's current business and financial conditions and is subject to change as a result of changes in those conditions.

Pursuant to 47 C.F.R. 54.313, in each subsequent year, Corn Belt will file a progress report on its five-year service quality improvement plan pursuant to 54.202(a), including maps detailing its progress towards meeting its plan targets, an explanation of how much universal service support was received and how it was used to improve service quality, coverage, or capacity, and an explanation regarding any network improvement targets that have not been fulfilled in the prior calendar year.

As of January 1, 2014, [REDACTED] of subscribers in the [REDACTED] wire center have access to broadband Internet service through Corn Belt's fiber optic facilities. Subscribers served by these facilities have access that meets or exceeds the 4/1 Mbps standard. No capital improvements are required for those subscribers meeting the 4/1 Mbps standard other than maintenance of facilities and as such, no capital investment to these subscribers is outlined in this plan.

Although no capital improvements are required in the [REDACTED] wire center to bring subscribers to the 4/1 Mbps standard, universal service support is used for on-going maintenance and operating expenses as well as for capital recovery of past capital investments. Corn Belt incurred approximately [REDACTED] in depreciation expense and [REDACTED] in on-going maintenance and operating expenses in calendar year 2013. It is reasonable to expect depreciation, maintenance, and operating expenses for the 2015 through 2019 calendar years.

Five - Year Plan Template
 Corn Belt Telephone Company
 [REDACTED] Wire Center

Year #		Planned Dollar Amount Capital Improvement (CAPx)	Estimated # of Square Miles Served by Capital Improvement	Estimated Population Served By Capital Improvement	Depreciation Expense Associated with Network Improvements Years 1 through 5 (Note 1)	Depreciation Expense Associated with Network Improvements for Years Prior to Year 1	On-going Maintenance/ Operating Expense
	Existing Expense- Total Company	x	x	x	x	\$ [REDACTED]	\$ [REDACTED]
1	01/01/2015 to 12/31/2015	\$ -			NA	x	x
2	01/01/2016 to 12/31/2016	\$ -			NA	x	x
3	01/01/2017 to 12/31/2017	\$ -			NA	x	x
4	01/01/2018 to 12/31/2018	\$ -			NA	x	x
5	01/01/2019 to 12/31/2019	\$ -			NA	x	x

Since no incremental capital is forecasted through 2019 for broadband deployment, no incremental depreciation expense is forecasted through 2019.

Depreciation expense for Corn Belt was approximately [REDACTED] in 2013.

On-going operating expenses excluding depreciation expense was approximately [REDACTED] for Corn Belt in 2013.